

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 6222**

**BILL NUMBER: SB 9**

**DATE PREPARED:** Mar 5, 2001

**BILL AMENDED:** Mar 5, 2001

**SUBJECT:** Fire Protection Territory

**FISCAL ANALYST:** Bob Sigalow, Chuck Mayfield

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**FUNDS AFFECTED:**      **GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** (Amended) This bill requires the legislative body of each unit creating a fire protection territory to give notice of and hold a public hearing before adopting an ordinance to create the territory. It specifies the information that must be included in the notice. The bill also provides that different property tax rates may apply in the units that make up the territory, so long as a rate applies uniformly to all of a unit's taxable property within the territory.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** (Revised) The participating units' legislative bodies would be required to hold hearings on the proposed ordinances to create the territory. The legislative bodies would be required to give notices of the hearings. The notices would also have to include a list of the participating units, the hearing time and place, a location for inspection of the ordinance, a statement as to whether the proposal includes uniform or different tax rates, and a contact for more information.

A local unit may have increased administrative costs associated with the holding of a public hearing to discuss the proposed ordinance.

**Explanation of Local Revenues:** Currently, units participating in a fire protection territory have a uniform rate for all units. The bill would allow participating units to have different tax rates. The bill could allow a shift of the responsibility of funding fire protection from one local unit to another unit if the units agree to different rates. As an example, one unit could have a \$0.25 tax rate while another, if both units agreed, could have a tax rate of \$0.50. There are currently three fire protection territories in the state. This bill would apply only to prospective territories.

The actual fiscal impact of this bill depends on local action.

**State Agencies Affected:** State Board of Tax Commissioners.

**Local Agencies Affected:** Local units.

**Information Sources:** Local Government Database.